



## 8 WAYS TO FIND YOUR OWN HOT REAL ESTATE DEAL

*When you're struggling to afford a house, finding a hot real estate deal might be the ticket to becoming a homeowner. Here are some tips for finding your own hot deal.*

---

Before starting on how to find one, it helps to define what a "hot" real estate deal is. I think it's safe to say that a "hot" deal is anything where the price is under market value. But that's as far as it goes, because what's hot to some might be merely lukewarm to others.

For instance, an investor might look at a fixer that's priced 10% under market value, and not consider that to be a hot deal. But a first-time buyer trying to move into a certain neighborhood would consider that same property a super-hot deal.

In fact, if it's a seller's market where home prices are rising fast, a buyer might consider a home that's just 1% below other prices to be a hot deal, even if the house is smaller or in need of fixing.



Either way, no matter how it's defined, finding a hot deal is every home buyer's dream. And sometimes it's necessary to get into the market at all.

---

If you, or someone you know, needs to find a hot deal, then using the following tactics could help you uncover deals. It's not easy. But a sufficiently motivated buyer with time on their hands can uncover a deal that works for them.

## 1. Use the Multiple Listing Service (MLS)

The MLS is the marketplace of all listed properties. Most hot deals never make it to the MLS. But if your definition of hot is slightly less than the price of other homes in the area, then you'll occasionally find these on the MLS.

For example, suppose all the homes in your target area are 3 bedrooms and 2 bathrooms. But you find one that's 2 bedrooms and 1 bath. It's run down, small, and maybe on a busy corner. It gets listed in the MLS for the same price as all the others nearby, based on square footage. But because it has less square footage, it's cheaper, making it a hot deal for you.



---

## 2. Be a Bird Dogger

Investors who make their money by fixing and flipping numerous properties per year are not necessarily out there looking for properties themselves.



Instead, they hire people called "bird doggers." Bird doggers have various strategies, which we'll cover below, of uncovering opportunities. Once uncovered, the investor will try to contact and negotiate a deal with the owner before the property hits the market.

Bird doggers usually make money by getting a share of the profits on the flip. Or they are real estate agents who make a commission on the sale, sometimes paid by the investor rather than the seller.

Most bird dogging is not a full-time job, though it can be. Bird dogging is a way for many people to make money in real estate without having to have a license or deal with any of the fixing and flipping aspects of the business.

---

If you really want a hot deal, it may be well worth the effort to be your own bird dogger, just to find your own deal.

### 3. Knock on doors

If you know the neighborhood where you want to live, and you know that your definition of a hot deal is possible there (you're not trying to find a \$200,000 property in a \$500,000 neighborhood), then one of the best ways of uncovering opportunity is to go door to door.



Knock on the door, politely explain your desire to live in the neighborhood, but that you're qualified for a loan that's a little lower than most homes that come up for sale here. So, you're looking for a fixer or a smaller home that might have a lower price. Do they know anyone that might be thinking of selling a rental, or an un-remodeled home, or a smaller home in the area? This is a type of bird-dogging.

---

Most people will send you on your way. But sometimes you'll hear something like, "See that house on the corner? I think the renters just moved out, so you might want to talk to the owner." Then you can ask if they know the owner, or you can look up the ownership in public records.

## 4. Direct response mail

Using public records, you can select homes that fit certain demographics, then mail letters to those homes. For example, you can select homes that have been owned by the same person for more than 30 years. You can sub-select from those, just the homes that are owned by landlords. And you can further sub-select homes that are under a certain square footage. Out of 2,000 homes in a large neighborhood, you might only mail 30 pieces that fit all those criteria.

Alternatively, you can drive around a neighborhood and identify any homes you think could be priced lower...fixers, older homes that haven't been remodeled, less desirable yard sizes, distressed properties, vacant homes, etc. Then look up the ownership and mail just to those owners.

What can you mail? A personal letter works best, along with clarification that you are qualified to buy, and not a real estate agent looking to list the home. Explain why it

---

could be in their interests to sell to you (perhaps you're willing to take it as-is, or you'll save them the headaches of getting it ready for the market and listing it). It might work.

## **5. Use a tiger of a real estate agent**

While most real estate agents won't have the time to bird dog for you, there are some that are hungry enough, and who see the value in door knocking for their own listing inventory, that they might uncover something that could work for you.

There are also many agents who work with investors already. They often find properties where the margins are too slim for the investor but would be perfect for you. So, communicate with those kinds of agents. Tell them what you're looking for and ask if they'll contact you when they run across something that could doesn't work for their investor, but could work for you. Yes, you can contact me for exactly this type of information.

## **6. Go for pre-foreclosures**

Public records will show you properties that are in arrears on the mortgage. You can send letters to those owners explaining your situation and offering to help them get out of the property. You'll need the kind of financing that will



---

allow you to do that, so discuss this with your lender before going after these pre-foreclosures.

You can also buy lists of pre-foreclosures online. This is another common bird-dogging strategy.

## 7. Look for evictions



If you've ever walked into a rental property with holes kicked into the walls, light fixtures ripped out, nasty stuff on the floor, old diapers tossed into the weeds in the yard, then you'll know why a property owner in the process of evicting a tenant might be ready to sell on the spot at any price. If you spot these messy properties while driving around, you can use public records to find out if the owner lives in the property or not. If not, chances are they owner might be ready to sell that eyesore.



---

## 8. Find FSBO's

Though rare these days, there are still many people who put a sign up in their yard to sell without a real estate agent. In my experience, those are often not the easiest kinds of sellers to work with, but if you want to pursue it, a For Sale by Owner (FSBO) might enable you to negotiate a lower price. Most FSBO sellers are trying to get more money, not less by selling themselves.

### Summary

Now you have eight ways to find a hot real estate deal. None of them are particularly easy, and all of them take diligence. Some take a considerable amount of work. Go through this list and identify all the things you can do and are willing to do. Talk to your lender about what you're doing so your loan package is ready to go when the right deal comes along.

*If you need help with any of these ideas, call me to talk about it. I'll help you identify resources and map a strategy. And I might be able to help you find what you're looking for.*